## Senate Bill No. 833

## CHAPTER 740

An act to add Section 6533 to the Government Code, and to amend Section 1220 of, and to amend and repeal Section 1011.5 of, the Water Code, relating to water.

[Approved by Governor October 8, 2003. Filed with Secretary of State October 9, 2003.]

## LEGISLATIVE COUNSEL'S DIGEST

SB 833, Machado. Eastern Water Alliance Joint Powers Agency.

(1) Existing law authorizes public agencies to enter into joint powers agreements.

This bill would authorize the Eastern Water Alliance Joint Powers Agency to grant funds to a member public agency for the purposes of assisting that member public agency in acquiring water if the board of directors determines that water supply will benefit the Eastern San Joaquin County Groundwater Basin as a whole and that member public agency would otherwise be unable to acquire that water. The bill would authorize the Board of Supervisors of San Joaquin County to grant to the joint powers agency funds from the county general fund or Zone 2 of the San Joaquin County Flood Control and Water Conservation District that are available to carry out any purposes of the joint powers agency for which the county or the district is authorized to expend funds.

The bill would authorize the joint powers agency to impose annually a plan implementation charge on landowners within its boundaries for the property related service received from improved groundwater management and planning, and for improved groundwater levels and availability, provided by the joint powers agency. The bill would provide for the collection of the charge, at the option of the joint powers agency, by the county or the joint powers agency. Because the bill would authorize the joint powers agency to establish collection duties on the county to collect the charge, the bill would impose a state-mandated local program.

(2) Existing law declares that when a holder of an appropriative right fails to use water as the result of conjunctive use of surface water and groundwater involving the substitution of an alternative supply for the unused portion of the surface water, any cessation of use of that appropriated water is deemed to be a reasonable and beneficial use of water to the extent of that cessation and to the extent that the appropriated water is put to reasonable and beneficial use. Existing law, until January

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1, 2007, authorizes the substitution of the alternate supply, for the purposes of that provision, to be made from the Eastern San Joaquin County Groundwater Basin if certain requirements are met.

This bill would revise those requirements and would make that provision relating to the Eastern San Joaquin County Groundwater Basin, as revised, operative indefinitely.

(3) Existing law prohibits the pumping for export of groundwater from within the Sacramento and Delta-Central Sierra Basins unless the pumping is in compliance with a groundwater management plan that meets certain requirements.

This bill would provide that that provision does not apply to groundwater pumping by the Eastern Water Alliance Joint Powers Agency for export from the Eastern San Joaquin County Basin if the groundwater pumping is approved, by ordinance, by San Joaquin County.

- (4) The bill would declare that, due to the unique circumstances pertaining to the Eastern Water Alliance Joint Powers Agency that the bill is intended to remedy, a general statute within the meaning of specified provisions of the California Constitution cannot be made applicable and a special statute is necessary.
- (5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

- (a) The problems associated with providing for the management of the Eastern San Joaquin County Groundwater Basin and the related provision of supplemental water supplies are peculiar to that area and public agencies overlying that basin have joined together to form the Eastern Water Alliance Joint Powers Agency.
- (b) Legislation is needed to supplement the existing authority of member public agencies to allow the Eastern Water Alliance Joint Powers Agency to exercise powers to coordinate efforts to replenish and manage that critically overdrafted basin.
- (c) With additional powers granted by the enactment of the act adding this section, the Eastern Water Alliance Joint Powers Agency will be able to do, among other things, all of the following:

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(1) Provide opportunity for economic development within San Joaquin County by securing reliable future water supplies.

- (2) Protect the natural resources within its boundaries and restore and enhance the environment, including the long-term protection of the basin
- (3) Develop and adopt a master plan designed to balance the use and enhancement of the basin through conjunctive management.
- (4) Prepare a joint groundwater management plan for the member public agencies.
- (5) Secure new and protect existing surface water rights required by its member public agencies for the implementation of the master plan.
- (6) Apply for and obtain financing to proceed with projects identified in the master plan.
- (7) Provide assistance to, supervise the construction of, and manage the operation of, facilities identified in the master plan for the benefit of the property owners and residents of member public agencies.
- (8) Develop and manage a groundwater bank in accordance with the master plan.
  - SEC. 2. Section 6533 is added to the Government Code, to read:
- 6533. (a) The board of directors of the Eastern Water Alliance Joint Powers Agency may grant available funds to a member public agency for the purposes of assisting that member public agency in acquiring water if the board determines that that water supply will benefit the Eastern San Joaquin County Groundwater Basin as a whole and that that member public agency would otherwise be unable to acquire that water. Section 10753.1 of the Water Code applies to any groundwater regulation under this section. As used in this section, the term "groundwater" has the same definition as set forth in subdivision (a) of Section 10752 of the Water Code.
- (b) (1) For the purpose of supplementing the general operating revenues of the joint powers agency, upon the request of the board of directors of the joint powers agency, the Board of Supervisors of San Joaquin County may grant to the joint powers agency funds from the county general fund or Zone 2 of the San Joaquin County Flood Control and Water Conservation District that are available to carry out any purpose of the joint powers agency for which the county or district is authorized to expend funds.
- (2) Nothing in paragraph (1) grants a preference to the joint powers agency over other public agencies for the purposes of receiving funds described in that paragraph.
- (c) The joint powers agency shall deposit any county or district funds received pursuant to subdivision (b) in a separate account, and upon request of the county or district, shall demonstrate that all expenditures

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made from that account are being used only to carry out the powers, projects, and purposes of the joint powers agency and San Joaquin County or Zone 2 of the San Joaquin County Flood Control and Water Conservation District.

- (d) Subject to Article XIII D of the California Constitution, the joint powers agency may impose a plan implementation charge, in accordance with this subdivision, on landowners within its boundaries for the property related service received from improved groundwater management and planning, and for improved groundwater levels and availability, provided by the joint powers agency. This plan implementation charge shall be a charge for water subject to the procedures and requirements set forth in subdivisions (a) and (b) of Section 6 of Article XIII D of the California Constitution, as follows:
- (1) Each year the board of directors of the joint powers agency may fix a plan implementation charge that may not exceed the annual cost of carrying out the actions financed by the charge. The board of directors may use multiyear budgeting to determine the plan implementation charge for up to five years and adopt a schedule of charges for this time period.
- (2) Before imposing the plan implementation charge, the board of directors of the joint powers agency shall identify the parcels of land within the joint powers agency to be benefited by the actions financed by the charge, the need for the plan implementation charge, and the amount of the charge to be imposed on each parcel. The amount of the charge upon any parcel may not exceed the proportional costs of the actions financed by the charge attributable to that parcel. The joint powers agency shall provide written notice of the plan implementation charge and conduct a public hearing as provided in subdivision (a) of Section 6 of Article XIII D of the California Constitution. The joint powers agency may not impose the plan implementation charge if written protests against the charge are presented by a majority of the owners of the identified parcels upon which the charge will be imposed.
- (3) (A) The plan implementation charge, at the option of the joint powers agency, may be collected on the tax rolls of the county in the same manner, by the same persons, and at the same time as, together with and not separate from, county ad valorem property taxes. In that event, of the amount collected pursuant to this paragraph, the county auditor may deduct that amount required to reimburse the county for its actual cost of collection.
- (B) In lieu of that option, the joint powers agency shall collect plan implementation charges at the same time, together with penalties and interest at the same rates as is prescribed for the collection of county ad valorem property taxes.

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- (4) The amount of an unpaid plan implementation charge, together with any penalty and interest thereon, shall constitute a lien on that land as of the same time and in the same manner as does the tax lien securing county ad valorem property taxes.
- (5) In lieu of a plan implementation charge being imposed on parcels within the boundaries of any individual member public agency of the joint powers agency, any member of the joint powers agency may determine by resolution to make payment to the joint powers agency of funds in an amount equal to the amount that would be raised by imposition of the plan implementation charge within the boundaries of that member, to be paid at the same time that the plan implementation charge would be collected if imposed.
- (e) For the purposes of this section, "joint powers agency" means the Eastern Water Alliance Joint Powers Agency.
- (f) For the purposes of this section, "Eastern San Joaquin County Groundwater Basin" means the Eastern San Joaquin County Basin described on pages 38 and 39 of the Department of Water Resources' Bulletin No. 118-80.
- SEC. 3. Section 1011.5 of the Water Code as added by Section 1 of Chapter 779 of the Statutes of 1992, is amended to read:
- 1011.5. (a) The Legislature hereby finds and declares that the growing water needs of the state require the use of water in an efficient manner and that the efficient use of water requires certainty in the definition of property rights to the use of water. The Legislature further declares that it is the policy of this state to encourage conjunctive use of surface water and groundwater supplies and to make surface water available for other beneficial uses. The Legislature recognizes that the substantial investments that may be necessary to implement and maintain a conjunctive use program require certainty in the continued right to the use of alternate water supplies.
- (b) When any holder of an appropriative right fails to use all or any part of the water as a result of conjunctive use of surface water and groundwater involving the substitution of an alternate supply for the unused portion of the surface water, any cessation of, or reduction in, the use of the appropriated water shall be deemed equivalent to a reasonable and beneficial use of water to the extent of the cessation of, or reduction in, use, and to the same extent as the appropriated water was put to reasonable and beneficial use by that person. No forfeiture of the appropriative right to the water for which an alternate supply is substituted shall occur upon the lapse of the forfeiture period applicable to water appropriated pursuant to the Water Commission Act or this code or the forfeiture period applicable to water appropriated prior to December 19, 1914.

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The state board may require any holder of an appropriative right who seeks the benefit of this section to file periodic reports describing the extent and amount of the reduction in water use due to substitution of an alternate supply. To the maximum extent possible, the reports shall be made a part of other reports required by the state board relating to the use of water. Failure to file the reports shall deprive the user of water of the benefits of this section.

- (c) Substitution of an alternate supply may be made only if the extraction of the alternate supply conforms to all requirements imposed pursuant to an adjudication of the groundwater basin, if applicable, and meets one of the following conditions:
- (1) Except as specified in paragraph (2), is from a groundwater basin for which the operating safe yield is not exceeded prior to the extraction of the alternate supply and does not cause the operating safe yield of the groundwater basin from which the alternate supply is obtained to be exceeded.
- (2) Is from the Eastern San Joaquin County Basin, as described on pages 38 and 39 of the Department of Water Resources Bulletin No. 118-80, for which the operating safe yield is exceeded prior to the extraction of the alternative supply, if all of the following requirements are met:
- (A) The conjunctive use program is operated in accordance with a local groundwater management program that complies with the requirements of this section.
- (B) The groundwater management program establishes requirements for the extraction of groundwater and is approved by a joint powers authority that meets the requirements of subparagraph (C).
- (C) The joint powers authority includes one or more of the water agencies overlying the contemplated points of groundwater extraction and one or more of the water agencies that will share in the benefits to be derived from the local groundwater management program.
- (D) By either of the following methods, the overdraft of the groundwater basin underlying the point of extraction has been reduced prior to the commencement of extraction:
- (i) Elimination of a volume of existing groundwater extractions in excess of the proposed new extraction.
- (ii) Recharge of the groundwater basin with a volume of water in excess of the proposed new extraction.
- (E) The operation of that conjunctive use program ensures that the overdraft of the groundwater basin continues to be reduced.
- (d) Water, or the right to the use of water, the use of which has ceased or been reduced as the result of conjunctive use of surface water and groundwater involving substitution of an alternate supply, as described

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in subdivisions (b) and (c), may be sold, leased, exchanged, or otherwise transferred pursuant to any provision of law relating to the transfer of water or water rights, including, but not limited to, provisions of law governing any change in point of diversion, place of use, and purpose of use due to the transfer.

- (e) As used in this section, "substitution of an alternate supply" means replacement of water diverted under an appropriative right by the substitution of an equivalent amount of groundwater.
  - (f) This section does not apply to the Santa Ana River watershed.
- (g) This section does not apply in any area where groundwater pumping causes, or threatens to cause, a violation of water quality objectives or an unreasonable effect on beneficial uses established in a water quality control plan adopted or approved by the state board pursuant to, and to the extent authorized by, Section 13170 or 13245, which designates areas where groundwater pumping causes, or threatens to cause, a violation of water quality objectives or an unreasonable effect on beneficial uses.
- (h) This section shall not be construed to increase or decrease the jurisdiction of the state board over groundwater resources, or to confer on the state board jurisdiction over groundwater basins over which it does not have jurisdiction pursuant to other provisions of law.
- SEC. 4. Section 1011.5 of the Water Code, as added by Section 2 of Chapter 779 of the Statutes of 1992, is repealed.
  - SEC. 5. Section 1220 of the Water Code is amended to read:
- 1220. (a) No groundwater shall be pumped for export from within the combined Sacramento and Delta-Central Sierra Basins, as defined in the Department of Water Resources' Bulletin 160-74, unless the pumping is in compliance with a groundwater management plan that is adopted by ordinance pursuant to subdivision (b) by the county board of supervisors, in full consultation with affected water districts, and that is subsequently approved by a vote in the counties or portions of counties that overlie the groundwater basin, except that water that has seeped into the underground from any reservoir, afterbay, or other facility of an export project may be returned to the water supply of the export project. For the purposes of this section, the county board of supervisors may designate a county water agency to act on its behalf if the directors of the county water agency are publicly elected and the county water agency encompasses the entire county. The county board of supervisors may revoke that designation by resolution at any time.
- (b) Notwithstanding any other provision of law, a county board of supervisors whose county contains part of the combined Sacramento and Delta-Central Sierra Basins may adopt groundwater management plans to implement the purposes of this section.

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- (c) A county board of supervisors shall not exercise the powers authorized by this section within the boundaries of another local agency supplying water to that area without the prior agreement of the governing body of that other local agency.
- (d) This section does not apply to groundwater pumping by the Eastern Water Alliance Joint Powers Agency for export from the Eastern San Joaquin County Basin, as described on pages 38 and 39 of the Department of Water Resources Bulletin No. 118-80, provided that the groundwater pumping is approved by San Joaquin County pursuant to its ordinances regulating the management and export of groundwater as these ordinances are in effect at the time of permit approval by San Joaquin County. Section 10753.1 applies to any groundwater regulation under this section. As used in this section, the term "groundwater" has the same definition as set forth in in subdivision (a) of Section 10752.
- SEC. 6. The Legislature finds and declares that, because of the unique circumstances applicable only to the Eastern Water Alliance Joint Powers Agency, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.
- SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.